

State of California

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**Legislative Change No.**

**10-20**

Bill Number: AB 1983 Author: Torrico/Skinner Chapter Number: **10-587**

Laws Affecting Franchise Tax Board: Sections 18887, 18888, 18889, and 18890 of the Revenue and Taxation Code

Date Filed with the Secretary of State: September 30, 2010

SUBJECT: Safely Surrendered Baby Fund

**Assembly Bill 1983 (Torrico/Skinner), as enacted on September 30, 2010, made the following changes to laws impacting the Franchise Tax Board:**

Article 18 (commencing with Section 18887) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code is added.

Section 18887 of the Revenue and Taxation Code is added.

This act allows taxpayers to designate their own money, not tax liability, to the Safely Surrendered Baby Fund. The contributions would be made in full dollar amounts. Each signatory on a joint return may make the contributions individually. The designations for any taxable year must be made on the individual return for the taxable year and, once made, are irrevocable. If an individual designates to more than one fund and an insufficient amount is available to satisfy the total amount designated, the contribution will be allocated among the designees on a pro rata basis. A deduction will be allowed for any contribution made.

This act specifies that the Safely Surrendered Baby Fund designation may be added to the income tax return when another voluntary contribution designation is removed. This act requires the Franchise Tax Board (FTB) to include a designation space for the Safely Surrendered Baby Fund on the individual tax return.

Section 18888 of the Revenue and Taxation Code is added.

This act establishes the Safely Surrendered Baby Fund in the State Treasury to receive contributions made pursuant to this act.

This act requires the FTB to notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money taxpayers have designated to the Safely Surrendered Baby Fund.

Assistant Bureau Director

Patrice Gau-Johnson

Date

11/08/10

The Controller is required to transfer from the Personal Income Tax Fund to the Safely Surrendered Baby Fund an amount not in excess of the amounts reported by the FTB.

Section 18889 of the Revenue and Taxation Code is added.

This act requires that all money transferred to the Safely Surrendered Baby Fund be allocated, upon appropriation by the Legislature, first to the FTB and the Controller for reimbursement of costs incurred performing their duties related to the fund. The remaining money is then allocated to the State Department of Social Services for programs to increase public awareness and outreach regarding the Safely Surrendered Baby Law.

Section 18890 of the Revenue and Taxation Code is added.

This act specifies that the provisions authorizing the fund shall remain in effect until January 1 of the fifth taxable year following the first appearance of Safely Surrendered Baby Fund on the return. As of that date, the act will be repealed unless a later statute, enacted prior to the applicable date, deletes or extends that date.

If the FTB estimates in the second calendar year after the fund first appears on the return that contributions made to the fund on returns filed in that calendar year will be less than \$250,000 for the taxable year or the adjusted amount for subsequent years, this article is repealed for taxable years beginning on or after January 1 of that calendar year.

The FTB is required to estimate the annual contribution amount by September 1 of each year using actual amounts contributed and an estimated contribution amount for the remainder of the year.

For each calendar year beginning with the third calendar year, the minimum estimated contribution amount for the calendar year is adjusted for inflation based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year.

This act is effective on January 1, 2011, and operative as of that date.

This act will not require any reports by the department to the Legislature.